

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: March 29, 2007
POSITION: Neutral

BILL NUMBER: SB 701
AUTHOR: P. Wiggins

BILL SUMMARY: Forest Legacy Program

Chapter 790, Statutes of 2000, created the California Forest Legacy Program (FLP) Act to reduce the conversion of working forest land to other uses, such as grape vineyards and housing developments. The original legislation included a sunset date of January 1, 2007. This bill would reestablish the FLP with a sunset date of January 1, 2015.

FISCAL SUMMARY

The Department of Forestry and Fire Protection (Cal Fire) is able to fund up to 75 percent of FLP costs through funding provided by the U.S. Forest Service. The state share has traditionally been provided through Proposition 40 funds and donations. The bill specifies Propositions 12 and 84 as potential funding sources, but does not preclude other funding options. Finance notes that there is about \$3 million available from Proposition 40 for this purpose, and Proposition 84 includes \$450 million for the protection and conservation of forests and wildlife habitat. Consequently, because of the availability of bond funds, there would be no General Fund impact.

COMMENTS

Finance is neutral on this bill because it would have no General Fund impact and would enable the state to maximize federal funding for efforts to conserve and protect valuable forestland.

Since the inception of the FLP, Cal Fire has been able to preserve 12,000 acres of forestland by providing incentives totaling \$4 million in federal funds and the required state matching funds. Without the bill, Cal Fire could be required to return \$2 million in federal grants and would lose out on future federal funding to preserve forestlands. Cal Fire has also been successful in obtaining private donations and local government funding for the FLP. AB 2314 (Leno) was proposed in 2006 to extend the FLP, but it was held in the Senate Appropriations Committee. Because AB 2314 was not approved, the FLP expired on January 1, 2007 and this bill is necessary to reestablish the program.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009		
3540/Forest&Fire	SO	No	-----	See Fiscal Summary				-----	0005	
3540/Forest&Fire	SO	No	-----	See Fiscal Summary				-----	6051	
3540/Forest&Fire	SO	No	-----	See Fiscal Summary				-----	0890	
<u>Fund Code</u>	<u>Title</u>									
0005	SafeNeighPks,ClnWtr,ClnAir/CstlProtCbdFd									
0890	Trust Fund, Federal									
6051	SafeDrinkWtr,WtrQual/Sup,FldCtrl,RvrCstl									

Analyst/Principal (0634) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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